

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

1. **EXECUTIVE SUMMARY**

- Applicant: California ETEC, 501 c-3, 3972 Barranca Parkway, Suite 296-J, Irvine, CA, 92606; www.studycalifornia.org
- Partner Organization: California Centers for International Trade Development
- ITA entities sought for cooperation: U.S. Commercial Service Export Assistance Centers in California, S. Florida, U.S&FCS offices in Vietnam, Thailand, SE. Asia, MAS, Office of Service Industries, MAC S..E. Asia
- Federal Funds Requested: \$388,425.00
- Total Project Budget:\$1,176,801.000
- Proposed Award Period-September 1, 2011-August 31, 2013
- Proposed Outcomes: 60 Education and Training Providers will enter or expand their market in Vietnam, Thailand and S.E. Asia, generating more than \$10,000,000 in exports of education and training services; 4 year post- award exports of \$50,000,000 dollars
- Foreign Markets Targeted: Vietnam, Thailand, S.E. Asia
- US Industry to be promoted: Education, Training and Ancillary Service Industries

Project Description

The Vietnam Government has recently placed top priority on the rapid modernization of the education system in Vietnam and this offers significant opportunities for U.S. higher education and training providers. Despite recent growth in the student recruitment market, U.S. education exporters are only exploiting part of the market and maintain less than 40% of the total market share. U.S. institutions have yet to capitalize on opportunities to deliver education in-country, secure a dominant foothold recruiting 4 year students and effectively brand U.S. education and training in Vietnam. Moreover, aggressive competitors from Australia, Canada, UK and Singapore threaten to dominate this lucrative market. California ETEC will expand upon past market development efforts in Vietnam to establish a *Vietnam Education and Training Export Center(VETEC)* in Ho Chi Minh City that will provide a sustained marketing presence for U.S. higher education and training providers, promote U.S. higher education opportunities to qualified Vietnamese students, and pro-actively outreach to and support U.S. education and training providers seeking to begin or expand exporting activities. VETEC will also be a launching point to promote U.S. education in emerging S.E. Asia markets.

The Vietnam Education and Training Export Center(VETEC) has the following goals:

1. Establish a U.S. higher education and training center in Vietnam that will provide a platform for 60 U.S. schools to begin or expand student recruitment. The project will also bring 30 U.S. schools to participate in outbound trade events in Vietnam and S.E. Asia .
2. Actively promote the expansion of international student recruitment to higher education providers in California and throughout the U.S.
3. Launch a branding and marketing campaign for U.S. higher education in Vietnam including development of multimedia tools localized and supported in Vietnam.
4. Facilitate faculty development through exchange & training programs with U.S. institutions.
5. Incubate best practices to deliver U.S. higher education in Vietnam including distance learning, joint programs and full branch campuses.

2. **BACKGROUND RESEARCH**

Opportunity

Vietnam has been the fastest growing host country for overseas study to the U.S. during the past three years with nearly 13,000 students arriving at US Colleges and Universities last year. It has the potential to become one of the three most significant export markets in the world for US education and training exports within the next ten years. Vietnam's emergence as a manufacturing HUB, its recent membership into the WTO, inflow of foreign investment and resulting dynamic growth (averaging over 8% for the past five years) are expanding more rapidly than its ability to establish and fund higher education institutions in its own market. This long term development is driving the need for qualified Vietnamese students to seriously consider study abroad as the pathway to achieve their credential and prepare them for a professional career. Vietnam's strategic placement in S.E. Asia also provides the ideal hub for expanding outreach activities to emerging education markets in the region. The importance of Vietnam's education market and those in surrounding S.E. Asia countries have also been identified by the International Trade Administration as a top exporting opportunity for America. Undersecretary of Commerce, ITA, Mr. Francisco Sanchez wrote an editorial in the *Chronicle of Higher Education*, April 3, 2011, that highlights the compelling opportunity and long-range benefit for the United States to actively promote education exports:

“ No Better Export: Higher Education”

From my perspective, a crucial element of winning the future is an increased focus on exports- and among our most valuable exports is education. Expanding the education opportunities for Indonesian and Vietnamese students will provide direct benefits to U.S. companies doing business with those critical markets in the future. Many of them seek out U.S-educated distributors overseas because of their understanding of American culture, their English-language skills, and the resulting increase ease of doing business with them. This is a part of long-term strategy to set America on strong footing in emerging global markets.

Undersecretary Sanchez formalized the US Department of Commerce's commitment to promoting education exports by leading a delegation of 56 schools to Indonesia and Vietnam earlier this month. The service industry, including education sector are also a major focus of the Obama Administration's National Export Initiative and Vietnam is a key “next tier” emerging market targeted for sustained U.S. export growth. ¹

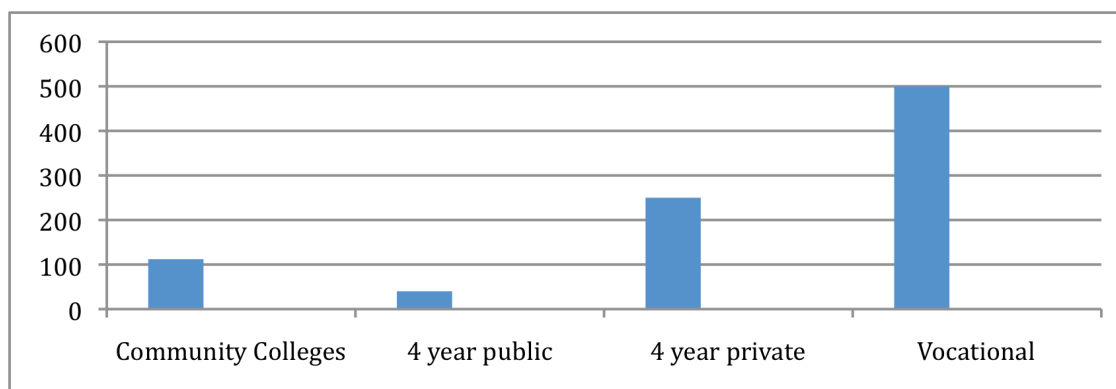
¹ Report To The President On National Export Initiative, pages 15-16

Competitive Position of the U.S. Market

The United States generates more than \$19 billion dollars in exports of education services per year and has long dominated rankings of top world universities. In a recent Financial Times survey, 7 of the top 10 ranked universities were based in the United States. Ivy League universities, UC System campuses and many other top U.S. institutions are known by name-even in Vietnam. U.S. community colleges, where more than 80% of Vietnam student applications are currently directed, are the clear market leader in the world for vocational training and 4 year degree pathways. While growth in the number of Vietnamese students studying in the U.S. has slowed to 2.3% in 2009/2010 academic year, the average year-on-year growth rate has been 30 percent over the past 5 academic years, including 2009/2010. Vietnam is already the 9th leading country of origin for international students in the U.S. and generates more than \$200,000,000 million dollars in tuition fees for U.S. schools and has the experienced the fastest growth of any host country sending students to the U.S. since 2007. ²

There are more than 4400 accredited colleges and universities in the United States and in the State of California alone, more than 1000 institutions of higher learning have been approved by SEVIS to issue F-1 visas. Indeed, the potential for California and the United States to supply international education and training services needs is unparalleled.

California Higher Education and Training Providers-SEVIS(4/2011)



Target Market

The Vietnam Higher Education Need

Vietnam has a population of nearly 89 million and more than 60% are under the age of 35 and the needs to support the education of this target population are huge. Despite increased investment in education, more than 5% of GDP in 2008, the government

² US Commercial Service Recruitment Guide Vietnam 2010/11

Vietnam has acknowledged that the current education system is unable to meet demand in both terms of quantity and quality.

- 90% of general students in Vietnam want to enroll in a university-10 percent do
- In 2010, Vietnamese universities only had 300,000 seats available for 1.9 candidates taking university exams.

The problem is the college education system hasn't grown, or improved at a rate commensurate with demand. Vietnam, with 89 million people, has fewer than 400 colleges and universities. ³

Vietnam Seeks U.S. Higher Education Cooperation

In June 2008 the U.S. Government and Vietnam Ministry of Education and Training signed a landmark in MOU that sought to expand educational cooperation between the two countries. As the result of this historical meeting, an Education Task Force on Higher Education was formed to identify key areas of cooperation, among them were the establishment of a Vietnamese – American University, the training of 2500 PhD Students at top American universities, the introduction and application of American advanced programs at selected Vietnamese universities, the creation of an effective, objective, academic-based system of accreditation of higher education and the support for English language teaching for Vietnamese teachers and students and 2+2 joint completion programs. ⁴

U.S. Ambassador to Vietnam Michael Michalak and incoming Ambassador David Shear have placed education exchange as a cornerstone of the U.S. bilateral relationship with Vietnam. The U.S. Consulate in conjunction with the Vietnam Ministry of Higher Education (MOET) has coordinated four successive conferences in Hanoi to support higher education dialog and exchange between U.S. and Vietnam institutions. These efforts were further supported in the Fall of 2009 when California ETEC was selected to assist the Vietnam Ministry of Higher Education and Vietnam Consulate (SF) to coordinate a major outreach conference to promote such opportunities to interested U.S. Higher Education providers. The November 16th Meet Vietnam Education Forum drew more than 100+ U.S. colleges and universities and more than 300 participants eager to learn about education and training exporting opportunities in Vietnam.

Obstacles –Identified by U.S. Education and Training Industry

California ETEC has collected feedback from the more than 20 colleges and universities who have participated in past ETEC events in Vietnam, surveyed more than 100 schools who participated in the *Meet Vietnam Education Forum* in San Francisco on November 16th, 2009,

³ “*Vietnamese teens’ thirst for college*” Chico Harlan, Washington Post, July 24, 2010, A6

⁴ U.S.-Vietnam Education Task Force Final Report, September, 2009

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

met with 13 leading study abroad agencies in Vietnam on November 3, 2010, and spoken with or conducted in-person site visits with more than 30 schools since January 2011.

Following are commonly reported obstacles preventing successful recruitment in Vietnam:

- Few cost-effective marketing tools to promote U.S. Education and Training
- Limited in-country resources to screen qualified student applicants.
- Few students have proper English or College Test Preparation in Vietnam and therefore corresponding student visa approval rates are low
- Unprofessional and poorly trained international student recruitment agents
- Foreign competition that is well funded and highly focused
- Lack of in-country resources to adequately support new exporting delivery models such as dual degree or joint-programs

U.S. Schools have few cost-effective tools to target and screen qualified Vietnamese students

U.S. institutions have demonstrated strong interest to recruit students in Vietnam, yet few options for branding and marketing education programs exist other than participating in study fairs or recruiting through agents. U.S. schools have increasingly expressed frustration with high cost, low yield study fairs and shown interest for alternative tools that might help them better screen and target qualified students in Vietnam. The urgency to develop low-cost support is being further driven by the significant cuts to recruitment budgets at many U.S. public institutions. Destyn Laporte, El Camino Community College summarizes the challenge, “ We are being told to recruit more international students, but with even less resources than before.” Schools who do have budgets to regularly visit Vietnam have identified a need for an in-country resource that can help maximize visits by coordinating student advising sessions, schedule outreach to suitable institutional partners, assist with localization efforts and in-country logistics.

U.S. Institution	Reported Challenge or Need
California State University, Los Angeles	School of Engineering seeks introductions and follow on communication with Vietnamese institutions seeking to cooperate on joint programs.
UC Riverside Extension	Seeks localization support for promotional materials and logistical and scheduling support for in-country visits
West Valley College	School seeks in-country follow up assistance to communicate with Vietnamese students. * School is prevented from contracting with study agents.

Vietnamese students lack adequate preparation for overseas study

While the United States has enjoyed rapid growth in the recruitment of Vietnamese students, the majority of these students have opted to study at Community Colleges or Intensive English Language programs. As cited earlier, more than 80% of Vietnamese students seeking visas to the United States are not applying to 4 year degree institutions. This number is wildly askew with every other leading host country for U.S. students-where initial recruitment numbers accrue to graduate level study. Primary research conducted by California ETEC and backed up by recent reports from MOET and U.S&FCS Vietnam indicate the majority of Vietnamese high school students lack adequate English language training, largely a by-product of poor curricula and training of English faculty at Vietnamese schools. Furthermore, very few Vietnamese students have suitable learning skills and college test preparation to directly enter 4 year degree programs in the U.S. These current market conditions have frequently been cited by both U.S. institutions and U.S. Consulate officials in Vietnam for the relatively low approval rates for student visas.

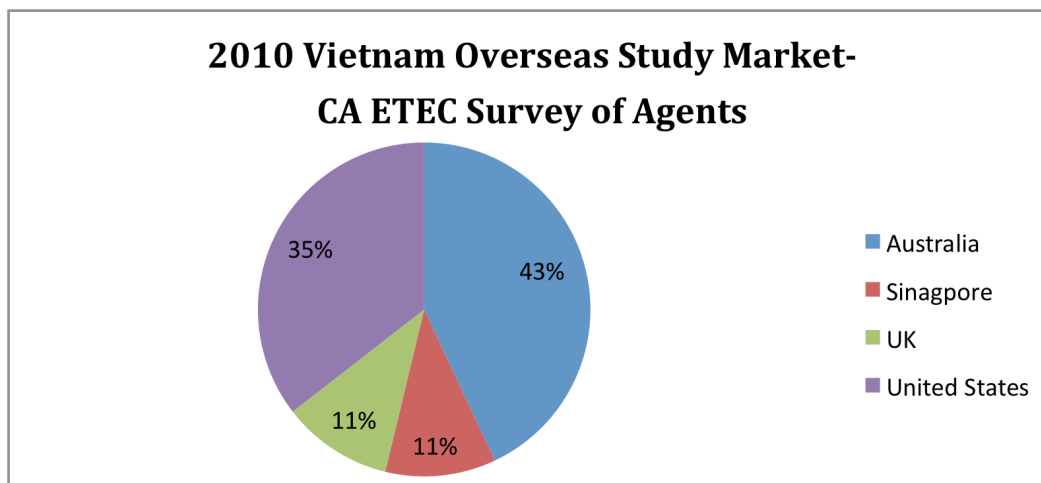
Vietnam study agents are poorly trained

Overseas study agents are a ubiquitous element of the international education marketing landscape in Asia. In Vietnam, the study agent business has become a growth industry with start-up operators entering the market on a weekly basis. This fact has created many difficulties for U.S. education providers seeking to identify and qualify suitable agents partners. Regrettably, many of the newly formed Vietnamese study agencies fail to operate by acceptable ethical and professional standards, and further, are solely motivated by the size of commission their company will receive for a student placement. During CA ETEC's most recent meeting with the U.S. Consulate in HCMC on November 3rd 2010, Mr. Mike Sestak, Non-Immigrant Visa Chief, raised concerns about the proliferation of unqualified and unprofessional agents in Vietnam. California ETEC reinforced these findings the following day hosting a reception with 13 prominent Vietnam Study Agents in HCMC to survey and solicit input from the local study agent industry. The attending agents uniformly acknowledged their staff needed better training and more knowledge of the U.S. higher education system. CA ETEC member schools who work with agents(**nearly 50% of U.S. schools decline to work through study agents**) reported they were largely dissatisfied with the level of preparation that Vietnamese study agents provided students and the resulting student visa approvals from the U.S. Consulate.

Competition

Australia is considered to be the "first mover" and market leader in terms of attracting Vietnamese students. It is followed by Canada, Singapore and the UK, formidable competitors, whom offer English instruction as well as a number of globally-recognized universities and colleges. The US, by comparison, has benefitted greatly from its diaspora ties with Vietnam, which is responsible for the large share of Vietnamese international students, however diaspora

linkage is losing its competitive advantage as the next generation of Vietnamese are exposed to a proliferation of higher education brands from Europe, Asia and other parts of North America.



A survey conducted with leading Vietnamese study agents on November 3rd, 2010 revealed that although **nearly 8 in 10 Vietnamese parents desire to send their children for advanced study in the U.S., only 1 in 3 students actually end up studying in the U.S.** These numbers were also verified by the owner of American College Preparation Institute based in HCMC who's company prepares Vietnamese students for overseas study. (APIC Interview, March 18, 2010; CA ETEC Survey of 13 study agents on November 3, 2010; Other attachments).

In fact, U.S. higher education competitors have been more nimble to respond to local market conditions in Vietnam. Royal Melbourne Institute of Technology (RMIT), Australia based university, is the first foreign university to set up in Vietnam, with an investment of \$50 million US dollars. RMIT offers Vietnamese students a chance to obtain an international standard education without the prohibitive investment that discourages many students from applying for overseas study. During the same visit to Vietnam last November, California ETEC found that many Australian, British and Singaporean universities have also begun to deploy 3+1 and 2+2 completion programs that allow at least half or more of the international education to be delivered in Vietnam. U.S. universities, by comparison, have not been active in this education export segment.

The U.S.'s main foreign competitors in Vietnam offer several other distinct advantages such as proximity (Australia/Singapore), lower cost tuition (Australia, Britain, Canada and Singapore) and possible immigration opportunities (Australia) that U.S. higher education institutions find difficult to compete. More significantly, however, the US's primary competitors for Vietnamese students have well funded and organized networks that focus exclusively on the promotion needs of the education and training sector in country.

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

A matrix below highlights the “gap” in support between the U.S. and our rival overseas competitors

International Trade Assistance Organization	Country	Government Funding	Overseas Offices in Vietnam
Australian Education International (www.studyaustralia.org)	Australia	Yes	Yes
British Council (www.educationuk.org)	United Kingdom	Yes	Yes
Study Canada	Canada	Yes	Yes
United States- IIE Ho Chi Minh Office was closed in December 2009.* VETEC would be the only <u>dedicated</u> U.S. funded promotion effort for U.S. Higher Education in Vietnam	United States	<i>No</i>	<i>No</i>

Efforts to establish joint programs with Vietnamese institutions have largely failed

Despite the outreach efforts of the U.S. Consulate, Vietnam government, and California ETEC, few U.S. institutions have been able to develop productive exchange programs or joint programs in Vietnam. As noted in a recent article in *The Chronicle of Higher Education* (May 15th, 2009)

Whether from inertia, frustration or both, plenty of those signed memoranda are gathering dust on administrators’ shelves. Joint degree programs, begun with great fanfare, have closed and quietly gone away. Dennis Berg, a sociology professor emeritus from California State University at Fullerton goes on to say, “In many cases, the signing of a cooperative agreement is followed by the ‘deafening sound of silence.’ Around 80 percent of international initiatives, he estimates, do not offer tangible results. Our campus has put a lot of money into Vietnam, but we have little to show for it. Programs start up, and your turn around and they’re gone.”

U.S. universities have been slow to develop joint programs with Vietnam institutions due to concerns about accreditation, faculty capacity in Vietnam and internal barriers at the host institutions. Failing to establish local higher education delivery options has left a large segment of the Vietnam education market unfilled and ripe for competitive nations to provide alternatives.

Cary Trexler, Associate Professor, UC Davis, summed up the visible and non-visible barriers that prevent more active partnering with Vietnam schools. “ **In Vietnam it is having the most**

cell phone numbers that matters most. Vietnamese are not adept at email communication and MOET does not use email for official communications.”

The existing export promotion model for education exports is in need of refinement

American colleges and universities have reaped the benefits of recent bi-lateral policy developments between the U.S. and Vietnam that have encouraged education exchange. U.S. education providers have also been exploiting advantages of a well integrated overseas Vietnamese diaspora in major metropolitan markets such as Orange County, San Jose, Seattle, and Houston. The advantages of a well-connected diaspora, particularly in Southern Vietnam, have been largely responsible for the recent U.S. student recruitment surge in Vietnam. As the November 16, 2010 IIE Open Doors Report indicates, however, the overseas recruitment market in Vietnam has dramatically slowed in 2010. Vietnamese students receiving F-1 visas dropped from 46.2% growth in 2009 to 2.3% in 2010. The so called, “*helicopter marketing*” practices of many U.S. schools, stopping in, dropping off market material, and then quickly leaving to return months later, is no longer effective in the face of growing competition. **Future recruitment success in the highly competitive Vietnam market will require a strategic marketing approach that can only be gained through having an ongoing presence in-country.**

3. PROJECT DESCRIPTION

Proposed Concept

California ETEC, The Centers for International Trade Development(CITD) and its affiliated member schools and partners will expand upon past market development efforts in Vietnam to establish a *Vietnam Education and Training Export Center(VETEC)* in Ho Chi Minh City. VETEC will provide a dedicated in-country marketing presence for U.S. higher education and training providers in Vietnam and thereby offer a new, more efficient model for targeting and recruiting international students and exporting education services. This education hub will also provide a base to expand education exports in surrounding S.E. Asian markets including Cambodia, Indonesia and Thailand. The project builds upon the institutional capacity developed under our earlier MCDP Award(other attachments)- an established education consortium of more than 100+ member schools and a track record of successfully implementing federally funded cooperative agreements.

The Vietnam Education and Training Export Center has set the following goals:

1. Establish a U.S. higher education and training center that will provide a platform for no less than 60 schools or training providers to pro-actively recruit students in Vietnam.
2. Actively promote the expansion of international student recruitment to higher education and training providers in California and throughout the United States.

3. Generate a pipeline of qualified Vietnamese students who actively seek overseas study opportunities in the U.S. This will be achieved by launching a targeted marketing campaign using online, print, and radio media, establishing formal education alliances with Vietnam high schools and universities, providing in-person advising and application support, and developing customized, high-value student fairs in Southern Vietnam.
4. Develop a comprehensive Study Agent Training and Certification System
5. Promote U.S-Vietnam Faculty Exchange Programs and market in-country and outbound English Teacher Training Programs.
6. Incubate best practices to deliver U.S. higher education in Vietnam via distance learning, joint programs and full branch campuses.
7. Launch English as a Second Language and related U.S. College Foundation Programs in Vietnam that will articulate with a network of American colleges and universities.
8. Develop follow on education promotions to Thailand and other S.E. Asian countries

California ETEC has secured Memorandums of Understanding (MOUs) and/or support letters from the following organizations. These agreements will greatly enhance our ability to effectively implement the VETEC project and accomplish overall grant project goals:

- Foundation for California Community Colleges
- Governor's Office of Economic Development
- California State System Universities- CSU East Bay, CSU Los Angeles, San Francisco State University, CSU MB, CSU Channel Islands,
- UC Campuses including: UC Davis, UC Irvine, UC Merced, UCLA, UC Riverside
- Pepperdine University, California International University, National University, University of La Verne, Marymount University
- Vietnam High Schools and Universities in Ho Chi Minh City
- Investment & Trade Promotion Center (ITPC HCMC)
- FELCA-JAOS
- El Camino College Language Academy
- Sponsored Training International, LLC

A. WORKPLAN

The VETEC Project extends over a 24 month period and includes the launch of an in-country office, aggressive outreach to U.S. higher education providers, targeted marketing and advising support to qualified students, and development and delivery of academic and in-country training programs in Vietnam.

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

The following sequential activities will be undertaken during the MDCP agreement:

Step #1- Open Vietnam Education and Training Export Center

The centerpiece of the VETEC project is to establish a long-term presence for U.S. higher education and training providers in Vietnam. California ETEC has a unique opportunity to fill the gap unfilled by the U.S. government or related NGO to exclusively promote U.S. higher education and training in Vietnam. While limited advising services are available to Vietnamese students through the U.S. Consulate Public Affairs- USA education Center, IIE Ho Chi Minh recently closed and consolidated under the U.S. Consulate. California ETEC will leverage established contacts in Vietnam to help expedite obtaining a business license and permit to establish a representative office in Vietnam. This past month, Ms. Vu and Mr. Matsumoto who confirmed that as of January 1st, 2010, foreign organizations may set up 100% controlled enterprises in Vietnam. **California ETEC and The ITPC established a formal MOU signed on April 13, 2011 that will facilitate the following:**

- Office space location and lease negotiation support
- Permit expediting
- Staff identification

CA ETEC staff has extensively researched office locations in Ho Chi Minh City in November 2010 and again in early April 2011 to identify prime locations and to ascertain market costs. (budget) CA ETEC has also sought staffing advice from First Alliances (a leading HMC HR solution provider), ITPC, and other staffing providers in HCMC in order to better understand the local labor market. Finally, CA ETEC has secured commitments from member schools to provide training support for newly hired VETEC staff and this will be supplemented by bi-monthly visits from CA ETEC project team during the cooperative agreement. Daily interface will be managed with local staff via email and skype communications.

Vietnam Office Implementation Steps:

1. Obtain Vietnam Business License
2. Secure Prime Office Location in Ho Chi Minh City
3. Hire and Train Qualified Local Staff
4. Grand Opening of VETEC in Fall 2011- California ETEC will leverage established contacts with Vietnamese institutions and governmental agencies to obtain maximum press exposure for the VETEC launch in HCMC.

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

Step # 2 -Outreach to California and US Higher Education and Training Providers

CA ETEC plans to leverage our existing membership* and contact base of more than 250 higher education and training providers developed over the past 5 years whom have expressed a strong interest to expand their exporting activity in S.E. Asia. The VETEC project will be launched in California by hosting two advisory meetings to incorporate industry suggestions and market future services to be offered by VETEC. CA ETEC will work cooperatively with the Commercial Service to create the broadest possible awareness for the project. In addition to outreach in California, CA ETEC will engage the ITA network to conduct outreach in at least two other states, including Florida. A special website section will be added to the existing www.studycalifornia.org portal to promote VETEC and this will link to the planned Vietnamese portal (www.etecvietnam.com and www.etecvietnam.edu.vn and www.etecvietnam.vn have already been registered). CA ETEC will exhibit at the 2012 and 2013 NAFSA Conferences to insure project outreach is maximized to U.S. higher education and training providers.

*California ETEC no longer charges membership fees, as of Fall 2007, so any accredited college or university is allowed to participate in our events. (participating members-other attachments)

Outreach to U.S. Education and Training Providers Implementation Steps:

- 1) Convene Advisory Planning Sessions in California/U.S.
- 2) Create electronic and print promotions to announce VETEC
- 3) Leverage Commercial Service networks in California, SW, Florida and Education & Training Team to promote VETEC services
- 4) Announce the VETEC Project at the 2011 ICEF Agent Conference, 2012 NAFSA Conference, 2012 ICEF Agent Workshop, and 2013 NAFSA Conference

Step #3- Develop a comprehensive U.S. Higher Education and Training promotion and student targeting campaigns in Vietnam.

The VETEC project will provide U.S. higher education providers comprehensive marketing and student pre-qualification and screening tools that heretofore have not been readily available in Vietnam. CA ETEC will develop and provide the following marketing resources in Vietnam to offer both passive and pro-active institutions and training providers a range of no-cost and cost-effective marketing support:

- VETEC will provide in-person student advising and counseling sessions for qualified Vietnamese students throughout the year. Advising sessions will be coordinated at the VETEC Center for visiting schools at no-cost and supplemental advising sessions will be coordinated with interested U.S. schools via Skype or teleconference. VETEC will also coordinate monthly informational sessions between U.S. schools and Vietnamese students and/or institutions at no-cost.

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

- VETEC will provide low-cost localization services and/or facilitation support for electronic and print media campaigns targeting Vietnamese students. California ETEC will also launch a English-Vietnamese website that will include a database of accredited schools, explanation of California and U.S. higher education pathways and listings of Vietnamese study agents who have completed training at the VETEC Center. CA ETEC has sought input from James Mayfield , FCS HCMC PCO, about ideas that might be incorporated from the U.S. Department of State/Department of Commerce Liuxie multimedia marketing initiative that was used to effectively to promote U.S. Higher Education in China. The planned media campaign will include social media sights that encourage Vietnamese students currently studying in the U.S. to post and share experiences with prospective students in Vietnam.
- VETEC will formalize outreach to Vietnam high schools and universities by providing ongoing support as follows: regular advising sessions conducted on –campus or at the VETEC Center by project staff or visiting U.S. colleges or universities; offer direct application support to qualified students; and provide pre-college preparatory support in English language or test-preparation.

Step # 4-Institutionalize English Language Exchange and Training programs between U.S. Colleges and Universities and Vietnam High Schools and Universities.

The massive shortage of English language teachers in Vietnam poses the biggest challenge to MOET's stated goal of modernizing education in Vietnam. This message was further amplified during the ten school visits that CA ETEC arranged for U.S. higher education delegation members in 2010. The Vietnamese schools visited all expressed a strong desire to conclude a MOU with CA ETEC to institutionalize English teacher exchange and develop advanced teacher training programs with American Colleges and Universities. (Five of these universities have subsequently signed MOUs with CA ETEC-other attachments) The VETEC project will facilitate the first teacher exchange programs in calendar year 2011 and rapidly expand this program with Vietnamese high schools and universities throughout Southern Vietnam. As an outgrowth of ETEC coordinated school visits in 2010, Ohlone College in California is currently working on plans to send English teachers to Vietnam later this year.

The Vietnam Government has also expressed a strong desire to *fund* thousands of high school and university teachers under J1 sponsorship to the United States for advanced training in TESOL and TEFOL. The VETEC project will actively engage the Vietnam government to secure a steady number of J1 scholars through CA ETEC or at member schools. (CA ETEC secured a J1 scholar for UCLA sponsored by Vietnam National University, International University, November 2010-January 2011; Dr. Pham Duc/ Department of Applied Linguistics)

* In addition to the strong interest for short-term study opportunities in the U.S., developing close institutional linkages with Vietnam institutions will also generate ongoing requests for U.S. faculty to delivery academic and vocational programs on a fee- basis in Vietnam. The mobility of international faculty has become increasing common and provides another mode of exporting education that U.S. providers need to actively embrace.

Institutionalizing Teacher Exchange and Training Programs Implementation Steps:

- 1) CA ETEC will expand MOUs with Vietnam Colleges and University seeking institutional exchange with US schools

- 2) Develop Teacher Exchange Model between Vietnam High School/University-U.S. Education Providers
- 3) Promote English Teacher Training Programs delivered in-country and in the U.S. on J Visa

Step #6 -Develop best practices to support non-traditional export delivery models of US Higher Education

Among the most compelling reasons to establish VETEC – urgent need to establish successful methods to deliver accredited academic programs in Vietnam. This huge exporting opportunity has largely been ignored and abdicated to our English speaking rivals.

In an effort to respond to market conditions in Vietnam, CA ETEC has set as a goal for this project of facilitating the delivery of joint-degree programs and helping launch a branch campus of a US College or University. CA ETEC has already begun discussions with several institutions in California who wish to explore the feasibility of joint programs and/or branch campuses in Vietnam. California ETEC plans to seek guidance from Dr. Cary Trexler, Professor, UC Davis School of Education and College of Agricultural and Environment Sciences, who has coordinated successful joint programs in Vietnam and is considered an expert on local delivery of US Higher Education in Vietnam. VETEC will provide an effective starting point for those schools who wish to identify prospective Vietnamese university partners or launch branch campuses. CA ETEC plans to stay in active communication with the Vietnam Office of Market Access and Compliance to report and share issues related to transparency or when uncovering non-tariff barriers.

Developing In-Country Program Delivery Implementation Steps:

- 1) Encourage non-traditional delivery of U.S. Higher Education in Vietnam
- 2) Support efforts of US schools who seek to identify Vietnamese university partners for joint-programs or branch campus establishment
- 3) Develop best-practices for in-country delivery of U.S. Higher Education and Training
- 4) Report Non-Tariff Barriers or Transparency concerns to MAC

Timelines and Activity Milestones –Year 1

First Quarter – (September -November, 2011)

- ✓ Host Vietnam Education and Training Export Center Advisory meeting-California
- ✓ Submit license for business permit in HCMC
- ✓ Place advertisement for staffing positions for VETEC
- ✓ Start outreach to U.S. higher education providers-electronic and print
- ✓ Coordinate outbound delegation to Vietnam and S.E. Asia
- ✓ 1st quarter report-VETEC project

Second Quarter- (December-February, 2012)

- ✓ Hire local office manager and support staff
- ✓ Official opening of VETEC
- ✓ Launch U.S. Higher Education Advertising Campaign
- ✓ Hire Vietnam website designer, launch VETEC website
- ✓ Begin online advising to prospective Vietnamese students
- ✓ Expand MOU agreements with Vietnam High Schools and Universities to support formal faculty and teacher exchange
- ✓ Develop study agent training program
- ✓ 2nd quarter report-VETEC project; bi-annual export success verification review

Third Quarter- (March-May, 2012)

- ✓ Host Vietnam Education Market webinar briefing in conjunction with Commercial Service and FCS HMC
- ✓ Continue 1-to-1 student advising sessions at VETEC
- ✓ Host U.S-Vietnam Study Fair in HCMC
- ✓ Exhibit at NAFSA, Houston

- ✓ Host CA ETEC Education Outreach events in California
- ✓ 3rd quarter report-VETEC project

Fourth Quarter – (June-August 2012)

- ✓ Launch VETEC social media website and related promotions in Vietnam
- ✓ Continue 1-to-1 student advising sessions at VETEC
- ✓ Continue Study Agent Training at VETEC
- ✓ Convene Bi-Annual ETEC Advisory Meeting in California to review VETEC progress
- ✓ Annual report- export success results

B. PERFORMANCE MEASURES

California ETEC expects that the VETEC project will produce significant expansion in education and training exports to Vietnam. California ETEC will employ a number of performance measures to calculate the positive impact of the grant project.

CA ETEC has set the following objectives for the VETEC Project

1. 60 education and training providers will achieve traceable export results
2. 100 education and training providers will participate in export readiness training
3. Coordinate monthly in-person and online advising sessions during the grant project(500 prospective Vietnam attendees will participate) with CA ETEC colleges and universities
4. Coordinate 4 Outbound Trade Missions to Vietnam and S.E. Asia in which no less than 30 U.S. schools will participate
5. Establish a localized Vietnam web portal that will promote US higher education and will be hosted on a Vietnam server
6. Host 4 industry advisory outreach and planning sessions will be hosted in California and at least two other states

CA ETEC will assiduously track and collect required ITA Performance Measures including:

- Exporter and Class- Report exporter by name, city, state and contact:
 1. New-to-Market
 2. Increased –export-to-market
 3. Value of competitiveness development

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

- Exporter Transaction-Value of export of services delivered or contracted
- Export Related Developments-exporter/cooperator investment in foreign assets to increase exports or trade complaints resolved
- Value of Target Market and U.S. Share of Education and Training Exports(Vietnam, Thailand, S.E. Asia)
- Exports Exclusively Attributable to MDCP activity

In addition to ITA Performance Measures, CA ETEC will track and report

- Number of U.S. education providers who use VETEC facility
- Number of new joint-programs or exchanges established between U.S. and Vietnam institutions
- Number of advising sessions held with Vietnamese students
- Number of Vietnamese students attending VETEC Fairs
- Number of Vietnamese students who visit VETEC social media websites
- Number of Vietnamese Study Agents Trained and Certified
- Number of positive media stories about U.S. Education reported in Vietnam

California ETEC is aware that Service Industry Exports have long been underreported or improperly tracked in traditional export statistics gathering. CA ETEC will go to great lengths to recover all transactional events that occur as a result of export readiness assistance or market development activity fostered by the VETEC project. Prior to submitting this application, Mark Matsumoto had an extended discussion with Richard Swanson and Paul Tambakis, Regional Director, Pacific South Network and Orange County Export Assistance Manager respectively, U.S. Commercial Service, about coordination steps to insure all relevant Education and Service Industry Export Successes are reported.

Example Export Successes reported to California ETEC include:

- 2008-CSU Northridge- signed 5 agent agreements with attendees of ETEC Vietnam Agent Reception
- 2009- Pepperdine Graziadio School of Business recruits 2 Vietnamese students to attend Full-Time MBA Program; advising and interview sessions coordinated by CA ETEC
- 2010- UCLA receives a J1 Exchange scholar from Vietnam National University as a direct introduction of California ETEC

CA ETEC will report both ETEC designed measures and ITA Performance measures in each quarterly report and the yearend annual MDCP report. CA ETEC in conjunction with the CITD has a long history of complying with State of California and Federal grant requirements,

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

including MDCP projects, and will use a number of similar tools to successfully track designed measures. Evaluation tools will track the progress of the VETEC project and attainment of specific project goals. All VETEC clients will be required to complete evaluations as a requirement of their participation in one-on-one counseling. Survey tools printed and electronic will be used to evaluate participant satisfaction after each seminar, trade event or trade conference. CA ETEC/CITD staff will regularly speak by phone with key project participants and advisory committee members in order to ascertain satisfaction with project programs and possible export success stories. On a bi-annual basis, California ETEC will work with our US&FCS project partners to obtain a completed *U.S. Exporter Verification of Successful Outcome* form from all VETEC clients. (Export Success Agreement: Other Attachment)

VETEC Project Outcome Recording System and Export Success Tracking Methodology

Program Activity	Output	Result
Open Vietnam Education & Training Export Center	<ul style="list-style-type: none"> Number of US Colleges and Universities that use VETEC 	<ul style="list-style-type: none"> 60+ U.S. institutions will start or expand exporting activity to Vietnam
Promotion campaign for U.S. Higher Education in Vietnam	<ul style="list-style-type: none"> Vietnamese Students seeking to learn more about US higher education- Vietnamese Students who participate in advising Number of US Schools participating in outbound promotion events in Vietnam/S.E. Asia 	<ul style="list-style-type: none"> 500 qualified Vietnamese will seek in-person or online advising from VETEC 30 U.S. schools will participate in targeted promotion events in Vietnam, S.E. Asia-15 schools per year/2 events per year/4 total events
Outreach to U.S. Higher Education Providers in CA, U.S.	<ul style="list-style-type: none"> Number of Education & Training Providers who attend export outreach events Host 4 Advisory Meetings in CA+2 other states 	<ul style="list-style-type: none"> 100+ education and training providers will participate in readiness training and outreach events in CA and other parts of the United States

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

Develop Best Practices for Non-Tradition export of U.S. Higher Education & Training	<ul style="list-style-type: none">• Number of schools who actively pursue joint programs or establish ongoing exchange or branch programs in Vietnam	<ul style="list-style-type: none">• 100 Vietnamese students who attend joint programs
NET EXPORT IMPACT- \$10,,000,000		

Methodology for calculating inbound student export multiplier- International Students pay on average \$28,200 dollars per year in tuition and personal living fees.⁵

C. PARTNERSHIPS –ITA

California ETEC has maintained a close and productive working relationship with the U.S. & Foreign Commercial Service since the conclusion of our original MDPC Award in Fall 2006. California ETEC has contracted or cooperated on in-market events with FCS Offices in Bangkok, Beijing, Chengdu, Chongqing, **Ho Chi Minh City**, Jakarta, Shanghai, Shenyang, and Taipei in the past four years.

California ETEC has undertaken outreach to the higher education and training sector in other regions of the country with the assistance of the Commercial Service. Mark Matsumoto has made 5 trips to S. Florida since 2005 to promote ETEC events and raise awareness of education and training opportunities in Asia to CS clients in the S. Florida network. ETEC hopes to expand

⁵ NAFSA, *Economic Impact Statement, 2010*

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

on this partnership by holding joint seminars in-person and by teleconference or video conference.

California ETEC is located in close proximity to a number of Southern California Export Assistance Centers including: Ontario, Newport Beach, West Los Angeles, Downtown Los Angeles and Oxnard. California ETEC often briefs and meets the Pacific South Regional Director Richard Swanson and Newport Beach USEAC Director, Mr. Paul Tambakis to discuss the status of the ETEC project, coordinate FCS services, and share export success outcomes.

A short list of ITA officials that have been briefed about the VETEC Project or offered input include:

- USEAC Manager- Paul Tambakis
- Pacific South Network, Regional Director, Richard Swanson
- MAS MDCP Coordinator Brad Hess
- MAC Office of Pacific Basin, Vietnam- Mr. Hong-Phong Pho, Mr. Jeffrey Dutton
- MAS Service Industries Office- Mr. John Siegmund
- FCS Ho Chi Minh City- Mr. David Averne, Mr. James Mayfield
- FCS Bangkok, Mr. Nalin Phuposakul
- U.S. Commercial Service Ft. Lauderdale Office, TS, Mr. Miguel Olivares
- U.S. Commercial Service Education Team, Mr. Greg Thompson

Private-Public Partnerships and Alliances Serving the Training and Education Sector

California ETEC has many partnerships with public and private organizations in California and abroad, which are committed to supporting this project. CA ETEC has solicited support and input from the following organizations that will all aid in the successful implementation of the VETEC project:

- ✓ Chancellors Office of California Community Colleges, Economic and Workforce Development/ Foundation for California Community Colleges
- ✓ University of California Systems Office, California State University Chancellor Office
- ✓ 50+ ETEC member colleges and universities attending advisory meetings in Summer 2010, January 2011- San Francisco and Los Angeles
- ✓ Centers for International Trade
- ✓ Vietnam Ministry of Education and Training(MOET)
- ✓ Vietnam Ministry of Foreign Affairs(MOFA)
- ✓ VIETNAM ITPC
- ✓ Consulate General of Vietnam(SF)
- ✓ VIECA
- ✓ U.S. Agency for International Development(Bangkok)
- ✓ American College Preparation Institute
- ✓ Vietnam Colleges and Universities; CA ETEC has secured 5 MOUs to-date

D. PROJECT FUNDING PRIORITIES

This project will promote the Department of Commerce's funding priorities and strengthen the global competitiveness of U.S. Industry as follows:

Priority 1: Create or Sustain U.S. jobs by increasing of maintaining exports

International students are an important element of the student profile at many U.S. institutions and are becoming a vital revenue source for many U.S. institutions. **The revenues generated from the attraction of foreign students are increasingly counted upon to fill shortfalls in public funding and stave off class reductions and staff layoffs.**

The VETEC project will also promote high growth service industry exports including: education and training, professional services and tourism exports. The success of this project in recruiting Vietnamese students to U.S. campuses will have a direct linkage to local job creation. Moreover, the delivery of high demand vocational training will assist U.S. multinationals and SMEs seeking to expand their local business in Vietnam.

Priority 2: Address impediments to innovation and reducing the cost of doing business in Vietnam

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

Establishing the Vietnam Education and Training Export Center in Ho Chi Minh City will allow US businesses to better understand potential business impediments, particularly in the emerging service sector.

Priority 3: Address standards, intellectual property rights, and other non-tariff barriers, especially in Vietnam

ETEC/VETEC will work closely with the MAC Vietnam Desk to identify and address intellectual property right violations and other non-tariff barriers that impede the delivery of US education and training services in Vietnam.

Priority 6: Facilitate ease of travel to the United States and promote U.S. higher education and training opportunities to non-U.S. entities.

The VETEC project will aggressively promote US higher education and training to qualified Vietnamese students. The project will also facilitate inbound training of faculty, Vietnam government officials and business executives seeking advanced academic or business and management training in the U.S. Having a regional support center in Vietnam will also provide a platform to pro-actively support education export efforts in Thailand and other emerging S.E. Asian markets.

E. USE OF ITA EMBLEM

The VETEC Project requests to use the ITA emblem on our English and Vietnam websites, printed promotion and on the wall of the Vietnam Education and Training Export Center. A sample of the requested usage is included (other attachments) in this application.

F. SUSTAINABILITY

California ETEC has a demonstrated record of sustainability-5 years as a stand-alone organization since our original MDCP award. In fact, CA ETEC operates much differently than other state education consortia or education NGO's. Operations are guided by a professional management team with long-range commitment to the organization and our funding is derived from a broad, diversified revenue base including federal and state grants, program services and marketing fees paid by member schools and private sector providers. **The VETEC Project will leverage existing resources and new service offerings to become fully sustainable after 24 months of MDCP funding.** ITA funding will help accelerate the development of VETEC as the preferred resource to brand and market U.S. higher education in Vietnam and as a resource for in-market and online delivery of college foundation and vocational training programs that will be expanded at the conclusion of the MDCP award.

4. CREDENTIALS

This section includes the personnel responsible for implementation of the project, the capacity of California ETEC to administer the project, and CA ETEC partners who support the project. Resumes of key staff are included within this submission.

Mark Matsumoto: Mark serves as Managing Director of California ETEC and manages day-to-day operations of the organization. Mr. Matsumoto was the co-author and project manager of the winning Market Development Cooperator Grant that launched the Education and Training Export Consortia at Riverside Community College that spun off the stand-alone 501 C-3, California ETEC. Expected time dedicated to project:80% (resume-included)

Ms. Thuy Vu: Ms. Vu serves as California ETEC's Director of S.E. Asia Marketing Initiatives and has lead responsibility coordinating market promotions in Vietnam. Ms. Vu has successfully coordinated ETEC trade events in Vietnam in 2007, 2008 and 2010. Ms. Vu has also established strong contacts with the Vietnam Consulate (SF), Vietnam MOET, and Vietnam High Schools and Universities. Ms. Vu was born in Vietnam and speaks and writes fluently in Vietnamese. Expected time dedicated to the project: 100% (resume-included)

Ms. Twyla Vinson: Ms. Vinson is a skilled office administrator who will support CA ETEC's federal grant accounting and filing requirements. Expected time devoted to project: 20%

Mr. Eddie West, Ohlone College, Director, International Programs and Services, CA ETEC Board Member, Eddie will assist with the promotion of VETEC project to California higher education providers and assist with the development and implementation of VETEC's Study Agent Training Course: Expected time dedicated to the project-5%

Mr. Paul Pinckley Executive Recruiter, Pepperdine University Graziadio School of Business, CA ETEC Board Member, Paul will assist with the promotion of the VETEC project to California to U.S. undergraduate and graduate programs and provides staff training and student advising support no less than three times in Vietnam during the VETEC project. Expected time dedicated to the project: 5%

Centers for International Trade Development Personnel

Jeffrey A. Williamson is Statewide Director of Centers for International Trade Development providing leadership for 14 CITD offices located across California. He was a previous MDCP recipient in 2003, which was used to create the Education & Training Export Consortium (ETEC). Mr. Williamson was also a key member of the BTH CA-CeBIT 2009 winning MDCP proposal. Mr. Williamson is a member of the District Export Council and the Trade Partnership Coordinating Council (along with U.S. Commercial Service Directors: Greg Mignano and Richard Swanson) Expected time dedicated to the project: 20%

Applicant Profile: California ETEC

California ETEC was formally incorporated in the State of California on February 14, 2006 and conferred designation as a 501 C-3 by the IRS on July 27, 2006. California ETEC was successfully spun off as a stand-alone organization from a Market Development Cooperator project(ETEC) awarded to the Riverside College District Center for International Trade in 2003. The Education Training Export Consortium(ETEC) was a pilot project funded to develop a regional consortia exclusively focused on the promotion of higher education in Asia. California ETEC has subsequently expanded to provide marketing and student recruitment support to higher education institutions throughout the State of California and other parts of the United States. As of 2011, California ETEC has more than 100 participating members who are comprised from community colleges, 4 year California State Universities, 4 year University of California Universities, private universities, for-profit universities, private service providers(eg. Housing, Travel, Insurance, other) and K-12 boarding schools. CA ETEC has also coordinated outbound promotions in Asia and the Middle East for more than 50 U.S. institutions including **21 in Vietnam.**

California ETEC offers several distinct types of services to providers in the education and training field. These free and cost-effective services include:

- advisory meetings and industry networking events
- specialized country briefings
- matchmaking forums
- outbound trade events
- customized in-country recruitment support

Advisory Meetings- In order to provide effective and relevant services, ETEC began hosting *Industry Advisory Meetings* beginning in the Fall of 2003 and these meetings have continued and expanded throughout the State of California once California ETEC was established as a stand-alone organization in 2006. These focused industry meetings and networking sessions offer industry neophytes and seasoned professionals in student recruitment and international education

an opportunity to meet, share best practices and voice ideas that then California ETEC synthesizes and craft services around. Since 2007, more than 100 different education and training providers and related service providers have attended California ETEC Advisory Meetings.

Innovative Education Marketing Campaigns-Faced with the daunting task of promoting California-U.S. Higher Education against well funded and focused competition at a time when financial resources are quite restricted, California ETEC has been forced to design no-cost, no risk export services to encourage and justify the continuation of export engagement activities. California ETEC has responded to this challenge by leveraging our industry partners, including the U.S. Commercial Service, and aggressively embracing innovative promotions and technology. ETEC has launched web based promotions through www.studycalifornia.org, facilitated localization of school print and web presence in Arabic, Chinese, Korean, Japanese, and hosted no-cost inbound study agent fam tours (Japan, India, Korea) and video matchmaking(Indonesia) in the past 3 years.

ETEC designed recruitment models to attract international students with no upfront expense.

Community College Initiative-California ETEC in conjunction with the Chancellors Office of the California Community College System(112 college network) authored the winning proposal to host a State Department Exchange Visitor Program that has brought more than 250 Egyptian students under J1 Visa to study at California Community Colleges. California ETEC has involved more than 16 different community colleges in this project to-date at a zero student acquisition cost, and enabled these colleges to begin or expand their international student recruitment program in the Middle East.

ETEC China Country Office-California ETEC opened our first overseas education student recruitment and marketing office in China in the Fall of 2009. This stand-alone office staffed with bi-lingual local staff provides California ETEC the in-market presence to continuously promote U.S. Higher Education. This local presence allows CA ETEC to offer customized and in-depth marketing support than would normally be possible by simply coordinating outbound trade events in China. California ETEC estimates that more than 25 schools will begin using the services of the ETEC China Office to begin and/or expand recruitment activities in China in 2011. * Office is in partnership with Beijing based education service provider.

CA ETEC Vietnam Market Milestones:

- 2007 CA ETEC coordinates 1st outbound education mission to Vietnam in conjunction with FCS HCMC, 5 schools attend.
- 2008 CA ETEC host 2nd Vietnam promotion events in conjunction with FCS HCMC, 7 schools attend.

VIETNAM EDUCATION and TRAINING EXPORT CENTER(VETEC)

- 2009- California ETEC coordinates Vietnam Government's Meet Vietnam Education in conjunction with Vietnam Ministry of Education; 100 U.S. schools attend; 100 Vietnamese Colleges and Universities attend.
- 2010- CA ETEC leads Spring and Fall Education Delegation to Vietnam (10 schools total); establishes MOUs with 5 leading Vietnam universities, conducts surveys of leading Vietnam Study Abroad agencies and develops a working plan to establish a Vietnam Education Support Center.
- 2011- Interviews and site visits conducted with more than 30 U.S. schools to solicit input and refine plan for establishing Vietnam Education Support Center. CA ETEC finalizes MOU with VIETNAM ITPC for office launch support and scouts more than 20 prospective office locations in Ho Chi Minh City.

The management of California ETEC has continuously built first-hand knowledge and understanding of the Vietnam education market since 2007 through ongoing market development activities in Vietnam, in part supported by cooperation with the U.S&FCS network in California and Vietnam. CA ETEC has coordinated 5 outbound trade events in Vietnam in the past four years (25 US schools participated), established an extensive contact base with Vietnam based study agents, high schools and universities. These efforts have been supplemented with extensive communication and meetings with the relevant Vietnam Government agencies- Vietnam Consulate(SF), Ministry of Education and Training(MOET), ITPC, and Ministry of Foreign Affairs(MOFA). **California ETEC's significant pre-award market development and relationship building investment, in excess of \$100,000 dollars, assures that the Vietnam Education and Training Center(VETEC) will be implemented expeditiously and with maximum outcomes.**